GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2737
ANSWERED ON:17.12.2004
REVIVAL OF INDUSTRY
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have conducted any survey to identify the number of closed small, medium and large industries in Gujarat and Uttar Pradesh during the last one year;

(b) if so, the details thereof;

(c) the closed textiles engineering goods producing industries in the States;

(d) the steps being taken by the Union Government to revive such industries within the time frame; and

(e) the success achieved by the initiatives of the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a), (b) & (c) Labour Bureau, Shimla, under the Ministry of Labour and Employment collects information on closure of industrial units covered by the Industrial Disputes Act, 1947. As per the information available with the Labour Bureau, 114# units were closed during the period from January to September 2004. Out of these, 16 units were closed in Gujarat and 11 in Uttar Pradesh which included 2 textiles engineering industries in Gujarat and 5 textiles engineering industries in Uttar Pradesh. During 2003, 5 textiles engineering industries in Gujarat were reported closed and no textile engineering industry was reported closed in Uttar Pradesh.

= Provisional

As per the Third All India Census of Small Scale Industrial (SSI) units for the reference year 2001-02 conducted during November 2002 to June

2003, 8,87,427 units were found closed which were registered in the SSI sector. Of these, the number of units closed in Gujarat and Uttar Pradesh were 39,159 and 1,22,282 respectively. The industry-wise closure data is not available in the Third All India Census.

(d) & (e) Revival of closed industrial units comes under the purview of the administrative Ministry concerned with that particular unit. The Government provides a policy regime that facilitates and fosters growth and development of industries. The Government has also taken a number of steps for revival of sick industrial units in the country which, inter alia, include guidelines of Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provision) Act, 1985 etc. Wherever feasible, rehabilitation schemes are sanctioned for the revival of these units registered with the BIFR which, inter alia, include restructuring of the capital, induction of fresh funds by the promoters, including Government assistance for public sector units, merger with other companies, change of management, relief and concessions by Financial Institutions/Banks, and relief and concession by the State and Central Government in the form of rescheduling of dues.

Data on sick industrial units, assisted by banks in the country is compiled by the Reserve Bank of India (RBI). As per RBI report, 3396 non-SSI sick/weak units were in the country as on 31.3.2003, out of which 157 potential viable units were put under nursing which included 26 units belonging to Textile industry and 10 units from Engineering industry. 11 non-SSI sick/weak units from Gujarat and 5 non-SSI sick/weak units from Uttar Pradesh were put under nursing as at the end of March, 2003.